



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

APRIL 23, 2002

Rates for Containerized Grain Continue to Rise in 2002

Despite many years of depressed ocean freight rates for containerized grain products, rates have shown continued increases since 1999, and economic indicators suggest continued increases during 2002.

Rates fell dramatically due to the low volume of exports at the time of the 1997 Asian crisis. Much of the competition between carriers was for lower valued, agricultural commodities, such as animal feed and soybeans, which are typically moved at lower rates than other commodities, such as fruit and meat. As the imbalance between imports from Asia and U.S. exports to Asia increased, so did the imbalance in container supply. Ocean carriers had to ship many containers back to Asia empty, absorbing their repositioning costs in order to meet demand. To avoid moving empty containers to Asia, ocean carriers dropped rates dramatically, hoping to increase container shipments to this market. As a result, ocean container rates for grain exports fell from 1997 to 1999 by as much as 50 percent. However, as the Asian economies continue to improve, so does the demand for U.S. exports of agricultural products. As of June 2000, many container rates had bounced back to and, in some cases above, the rates reported before the economic crisis. (See Figure 1.)

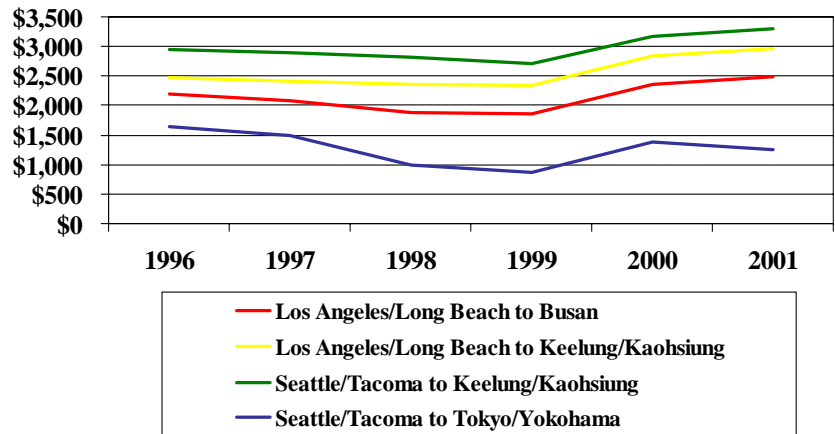


Figure 1. Sample Rates for Containerized Soybeans in Major U.S./Asian Trade Routes (rate is per TEU)

Though exports to Asia have increased since 1999, the utilization of capacity in the westbound trade to Asia was still only at 51 percent in the first quarter of 2001, as opposed to nearly 58 percent utilization in 1999. (Dekker, N. "Cold Turkey," *Containerization International*, 2001)

This increased imbalance has been attributed to both the economic slowdown in 2001 and a surplus of capacity due to the introduction of mega-container ships able to carry 6,000 or more twenty-foot equivalent units (TEUS). This imbalance explains the drop in rates for soybeans and animal feed during 2001.

So far in 2002, the economy is showing recovery from last year's slowdown. This will result in an increase of exports from the United States and, most likely, a decrease in the capacity imbalances between the U.S. and Asia. In response to these market factors, rates for U.S. exports to Asia, including soybean and animal feed, are expected to increase. The Container Ocean Freight Rates graphs on page 7, though volatile, depict the overall upward trend since 1999.

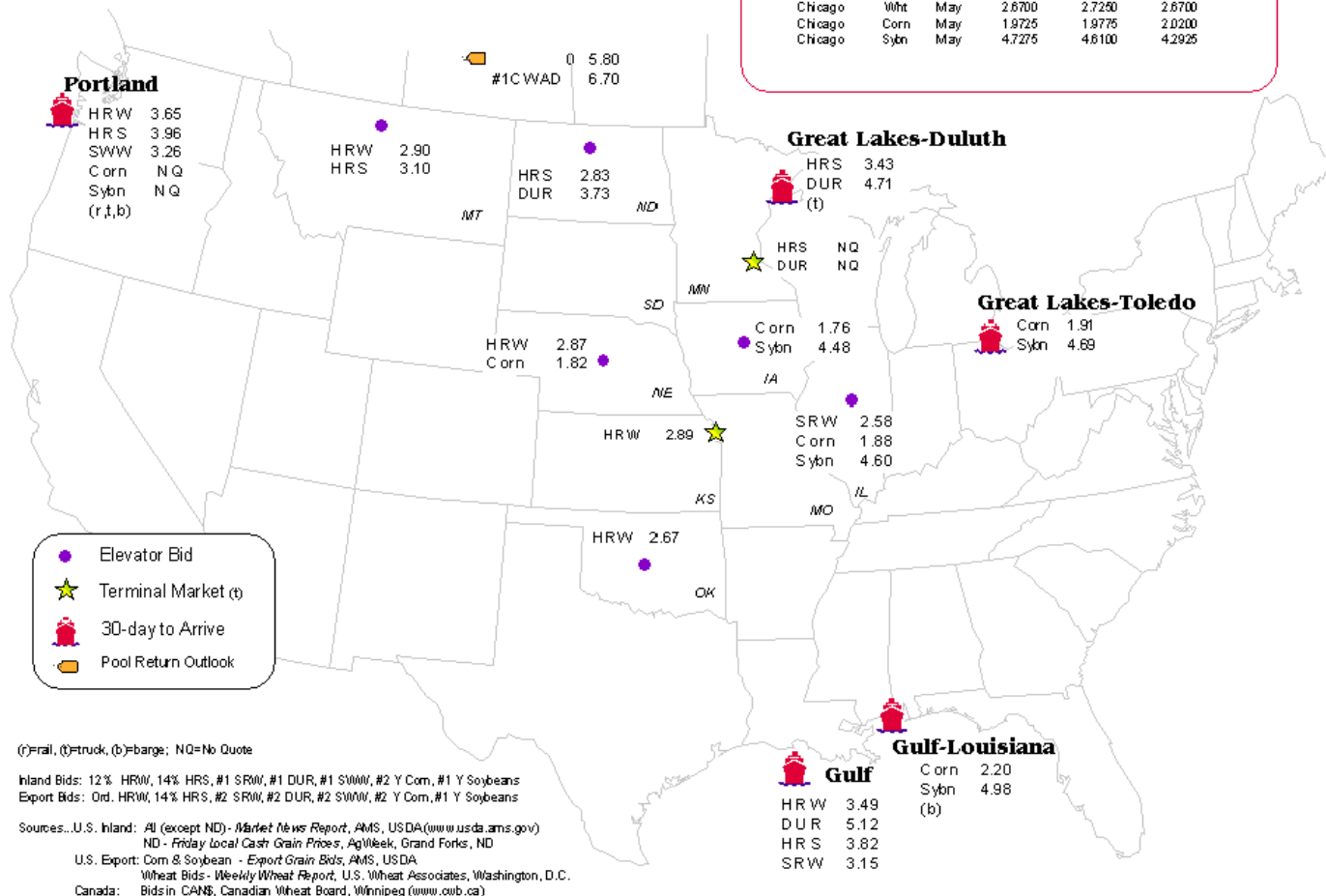
More information about containerized grain exports can be found in a report recently released by the Transportation & Marketing Program (TMP). "U.S. Containerized Grain and Oilseed Exports: An Industry Profile" is now available at: <http://www.ams.usda.gov/tmd/IPGrainProfile/>. The report includes information on the containerized grain industry's intermodal network, shipper population, and container shipment volumes, origins, and rates. In conjunction with an industry data collection to be completed in 2003, TMP's online report will help provide the information needed by the industry to better plan and prepare for the continued growth of the containerized grain market. For more information about this report and about this article, contact Heidi Reichert at heidi.reichert@usda.gov.

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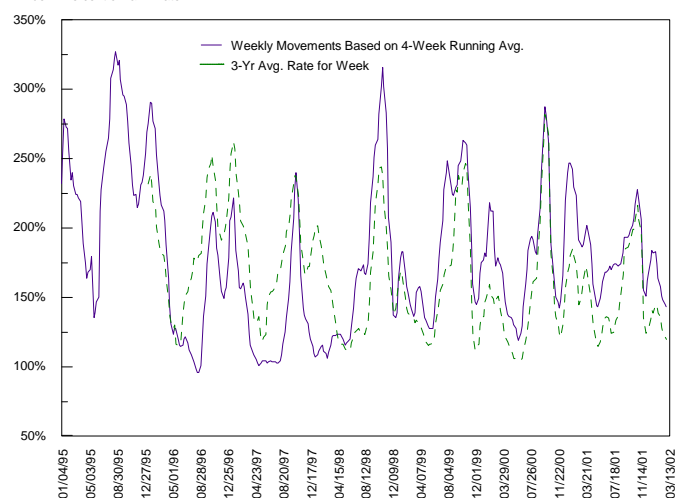
Grain Bid Summary

Futures:			04/19/2002	Week Ago 04/12/2002	Year Ago 04/20/2001
Kansas City	Wht	May	2.8900	2.8150	3.1975
Minneapolis	Wht	May	2.9200	2.9775	3.2700
Minneapolis	Dur	Sep	n.a.	4.5000	n.a.
Chicago	Wht	May	2.6700	2.7250	2.6700
Chicago	Corn	May	1.9725	1.9775	2.0200
Chicago	Sybn	May	4.7275	4.6100	4.2925

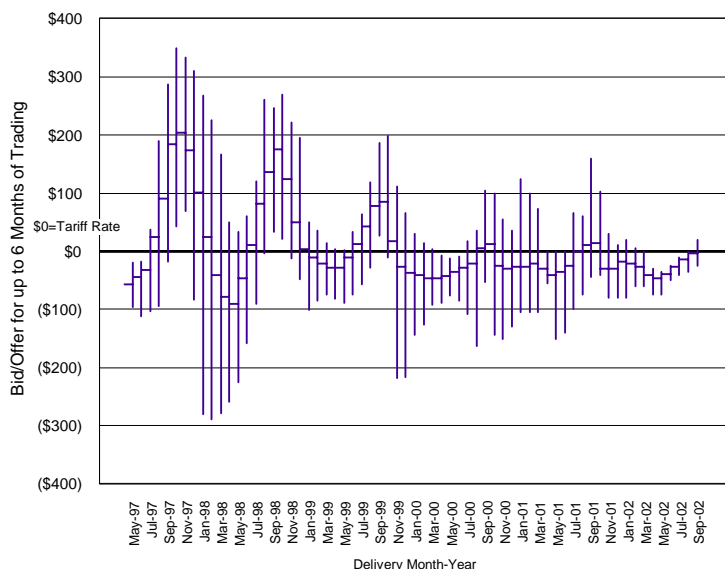


Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Jun-02		Jul-02	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	11,820	5%	12,966	3%
UP-GCAS	5,400	0%	no offer	
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	May-02	Jun-02	Jul-02	Aug-02
BNSF-GF	\$(34)	\$(22)	\$(10)	\$12
UP-Pool	\$(8)	\$(19)	\$(16)	\$12

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;
GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange,
Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jun-02	Jul-02	Aug-02
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no offer	no offer
GCAS/Region 4	no bid	no offer	no offer

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
04/22/02	St. Louis	Apr	0	100
		Jun	0	125
		Aug	0	155
		Oct	0	205
		Dec	0	135
	Illinois River	Apr	0	115
		Jun	0	138
		Aug	0	173
		Oct	0	225
		Dec	0	163

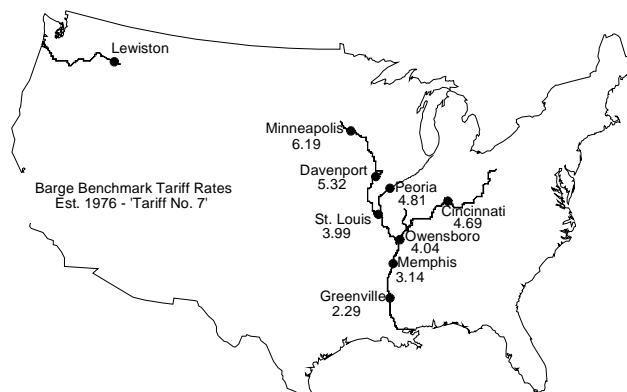
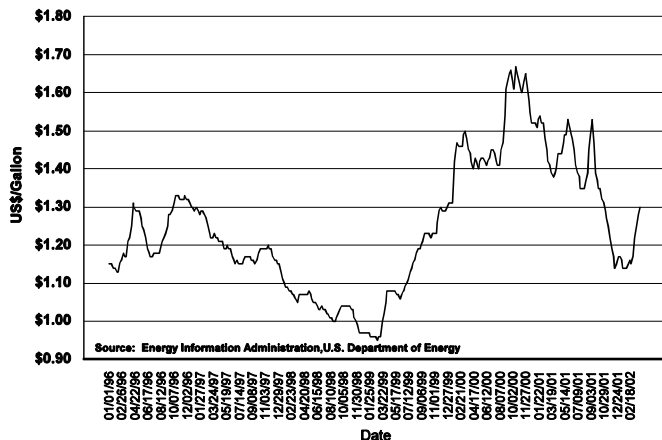
Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	4/17/02	4/10/02	May '02	Jul '02
Twin Cities	173	167	170	190
Mid-Mississippi	133	137	136	163
Illinois River	119	121	127	152
St. Louis	97	101	106	128
Lower Ohio	105	106	111	135
Cairo-Memphis	95	100	101	123

Source: Transportation & Marketing /AMS/USDA
nq=no quote;

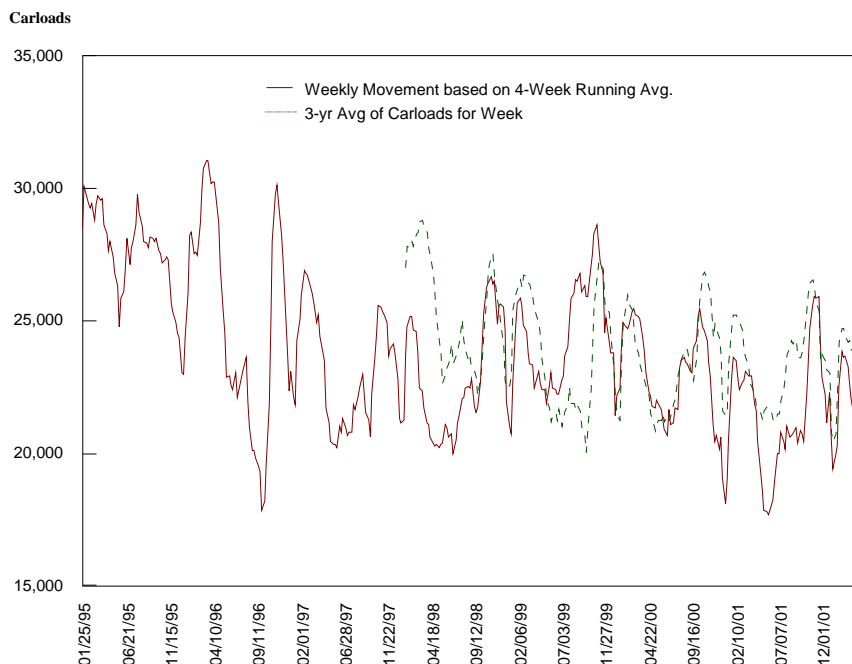
Weekly Retail Diesel (Road) Prices (Including Taxes)



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
3/30/02	19,150
04/06/02	20,720
04/13/02	19,326
Year to Date - 2002	325,927
Year to Date - 2001	338,097
Total 2001	1,117,601
Total 2000	1,188,917

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East		West			Canada	
	CSXT	NS	BNSF	KCS	UP	CN	CP
04/13/02	2600	3,760	6,263	503	6,200	4,208	4,147
This Week Last Year	2,835	3,247	7,040	355	5,979	4,322	3,793
2002 YTD	44,462	48,377	117,446	9,441	102,046	59,951	56,101
2001 YTD	49,472	47,377	133,711	7,292	100,245	71,757	69,052
2001 Total	151,864	163,018	428,603	26,330	347,156	254,982	232,461
2000 Total	147,708	153,905	425,849	26,515	364,785	160,749	239,670

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

March 2002

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
04/01/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
04/01/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
04/01/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
04/01/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
04/01/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
04/01/02	31040	Corn	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
04/01/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
04/01/02	31040	Corn	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
04/01/02	61180	Soybean	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
04/01/02	61180	Soybean	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

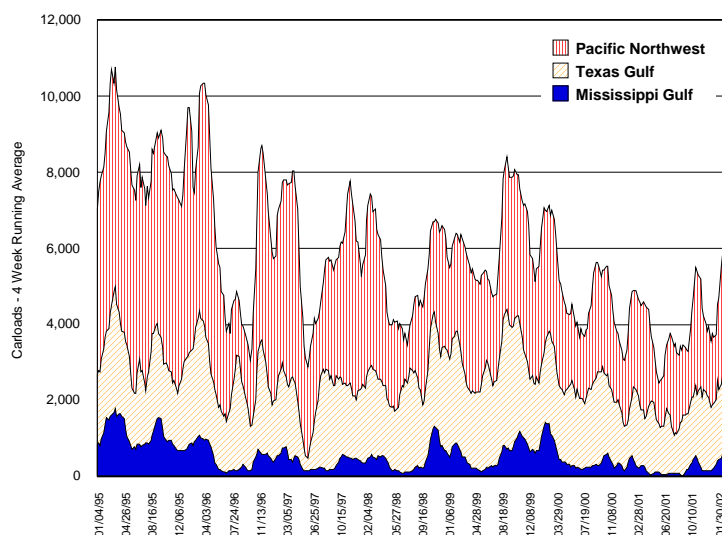
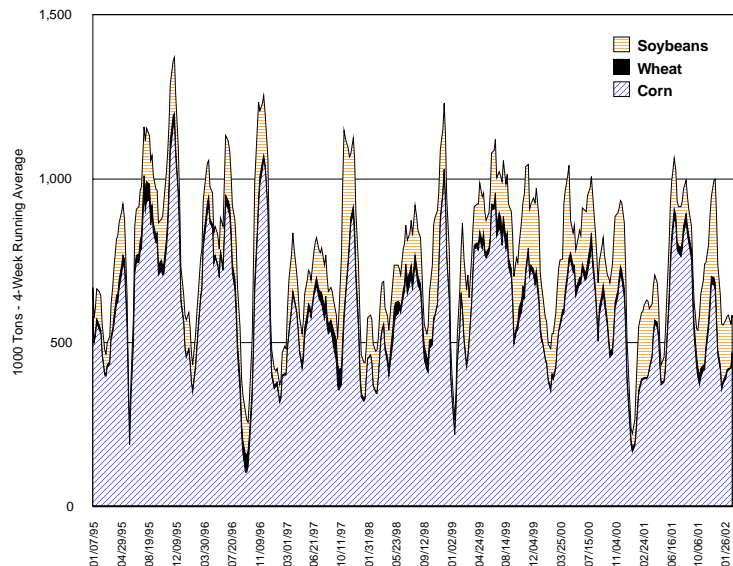
Rail Deliveries to Port**Carloads**

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
03/06/02	300*	2,200	2,518	380
03/13/02	264*	1,748	1,864	349
03/20/02	134*	2,099	1,984	279
03/27/02	101*	2,341	2,073	236
04/03/02	2*	1,707	2,040	638
04/10/02	66*	2,530	1,127	275
YTD 2002	4,813*	28,672	32,553	8,906
YTD 2001	4,413	21,190	36,624	11,960
Total 2001	10,022	81,804	111,376	26,604
Total 2000	25,767	104,473	128,414	14,816

Source: Transportation & Marketing/AMS/USDA

(*) Incomplete Data

(**) Identical figures are correct

Rail Deliveries to Port**Barge Movements - Locks 27****Barge Grain Movements**

for week ending 4/13/02

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	260	6	93	367
Winfield, MO (L25)	513	6	143	664
Alton, IL (L26)	744	28	191	963
Granite City, IL (L27)	758	33	188	979
Illinois River (L8)	186	5	47	240
Ohio (L52)	48	7	14	100
Arkansas (L1)	0	43	5	48
2002 YTD	9,338	627	3,288	13,882
2001 YTD	7,523	582	3,325	12,152
Total 2001	31,878	2,679	10,616	47,091
Total 2000	33,482	2,518	10,327	48,247

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers; L15 & L25 closed for winter.

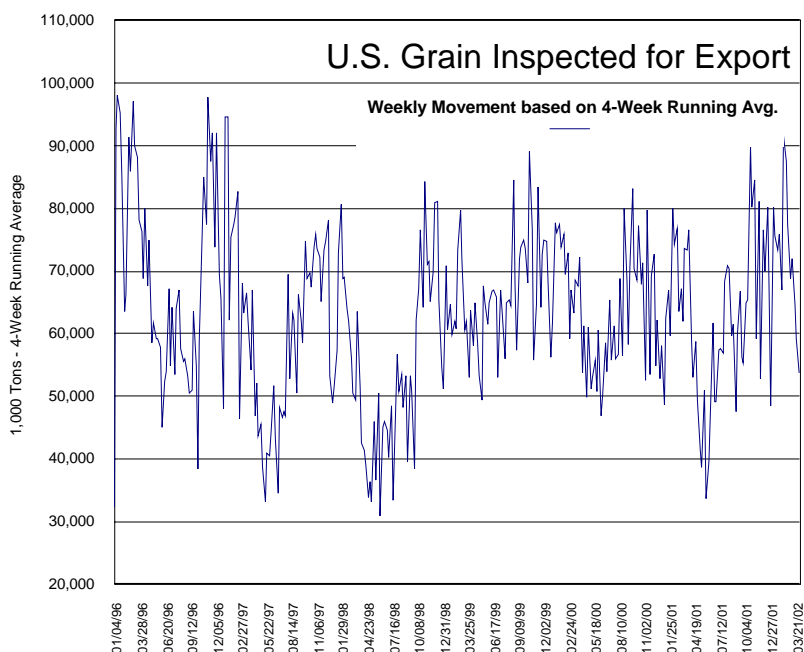
U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	Wheat <i>SWW</i>	<i>DUR</i>	<i>All</i>	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
04/11/02	1,206	864	881	487	171	3,609	6,578	3,008	13,195
This Week Year Ago	1,098	404	879	569	274	3,223	5,216	2,090	10,529
<u>Cumulative Exports-Crop Year</u>									
01/02 YTD	7,484	4,749	4,771	2,744	1,029	20,777	27,897	23,550	72,224
00/01 YTD	8,073	4,038	4,927	4,561	954	22,552	28,781	17,713	69,046
99/00 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
98/99 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

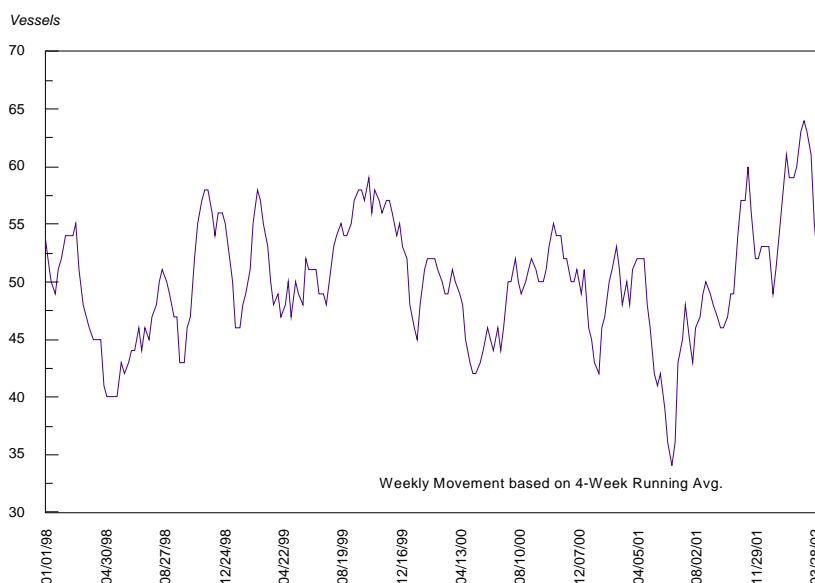
	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
04/18/02	209	119	8	122	874	214	72	5	0
2002 YTD	2,643	1,623	891	1,717	11,071	7,237	1,924	105	699
2001 YTD	3,024	1,566	1,152	1,676	9,631	6,728	1,652	164	722
% of Last Year	27%	27%	52%	25%	31%	40%	28%	22%	69%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 04/18/02			
Vancouver	4,512	268	390
Prince Rupert	959	0	0
Prairie Direct	1,000	311	267
Thunder Bay	312	191	45
St. Lawrence	1,969	1,441	0
2001 YTD Exports	8,752	2,211	702
2000 YTD Exports	8,756	2,156	1,328
% of Last Year	100%	103%	53%

Source: Canadian Grains Commission, Crop year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

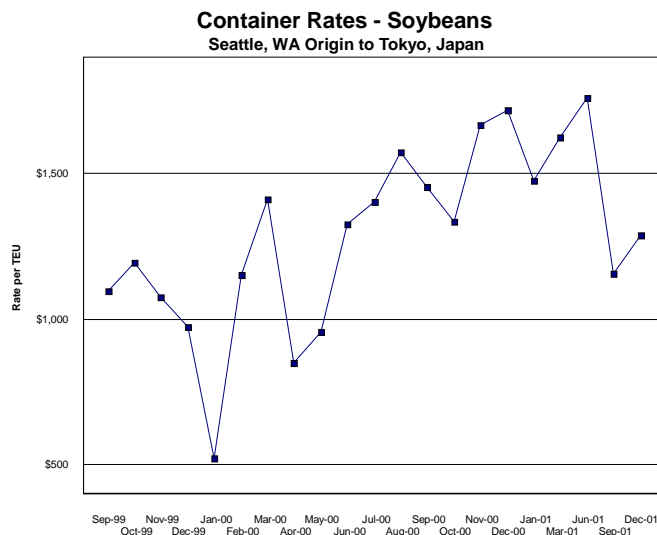
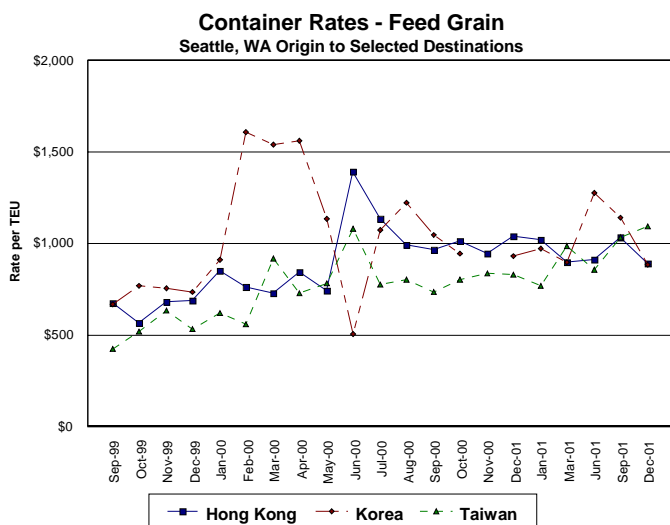
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
04/11/02	40	52	51	5			2	4	1
04/18/02	29	48	68	8			4	3	1
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)			(4..20)	(3..14)	(0..7)
2000 Range	(23..50)	(34..57)	(47..83)	(4..15)			(4..20)	(5..19)	(0..9)
2001 Avg	36	48	63				12	8	3
2000 Avg	36	49	65				11	9	3
1999 Avg	32	52	65				10	9	3

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

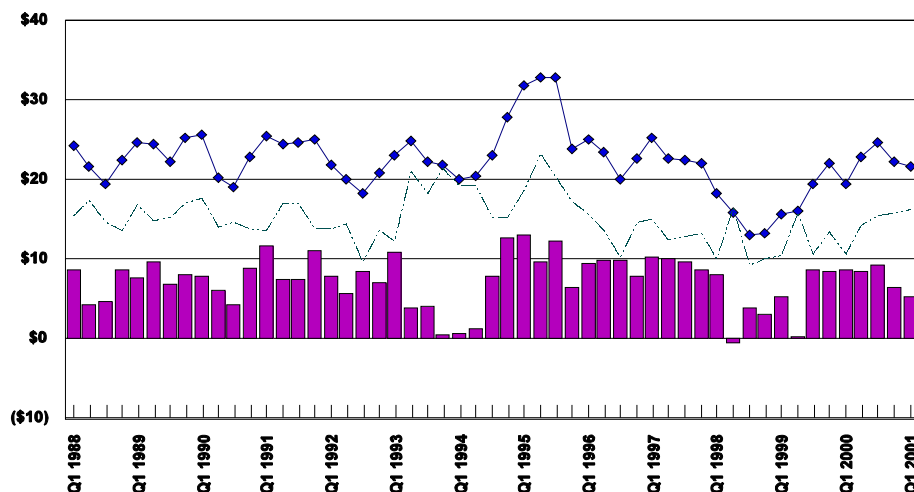
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA

◆ Rate - Gulf to Japan
 --- Rate - PNW to Japan
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean
Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2002 1st Qtr	2001 1st Qtr	% Change		2002 1st Qtr	2001 1st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$18.10	\$21.70	-16%	Japan	\$11.13	\$16.36	-31%
Mexico	\$31.49		-				
Venezuela		\$13.53	-				
N. Europe	\$10.67	\$15.19	-29%	Argentina to			
N. Africa	\$17.58	\$26.25	-33%	Med. Sea	\$17.85	\$22.14	-19%
Med. Sea	\$10.97	\$14.81	-25%	N. Europe	\$13.48	\$16.47	-18%
Black Sea	\$49.12		-	Japan	\$25.59	\$30.51	-16%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 4/20/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	UK	Grains	Apr 20/30	38,000	\$15.00
Gulf	Egypt	Heavy Grain	Apr 15/25	55,000/60,000	\$12.75
Gulf	Egypt	Wheat	Apr 20/25	55,000	\$14.50
Gulf	Japan	Heavy Grain	May 1/15	54,000	\$21.50
Gulf	Japan	Heavy Grain	May 1/15	54,000	\$22.00
Gulf	Japan	Heavy Grain	May 5/15	54,000	\$21.25
Gulf	Japan	Heavy Grain	Apr 25/May 5	54,000	\$21.75
N. Pacific	Taiwan	Heavy Grain	May 8/15	57,000	\$11.20

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option